

Prospectus Fund Descriptions Guide

For illustrative purposes only

Some of the key areas within the Prospectus Fund Descriptions of particular interest to investors are highlighted below.

Fund Details provides an overview of basic fund level information as well as the series that it offers.

BMO Monthly High Income Fund II	
Fund details	
Type of fund	Canadian dividend
Date started	Series A: April 1, 2013 Series T5: January 4, 2010 Series T8: January 8, 2008 Series F: October 10, 2002 Series D: April 3, 2014 Series I: August 25, 2003 Advisor Series: October 10, 2002
Securities offered	Units of a mutual fund trust
Eligible for registered plans	Qualified investment
Management fee	Series A: 1.85% Series T5: 1.85% Series T8: 1.85% Series F: 0.60% Series D: 1.00% Series I: N/A. A Series I fee is negotiated and paid by each Series I investor. ⁽¹⁾ Advisor Series: 1.85% Fees and expenses also include taxes and other fund costs. See <i>Fees and expenses</i> on page 257 for details.
Portfolio manager	Guardian Capital LP Toronto, Ontario (Portfolio Manager since October 2002)

⁽¹⁾ The management fee for Series I will not exceed the management fee charged for Advisor Series or Series A.

What does the fund invest in?

Investment objectives

This fund's objective is to generate a high level of monthly distributions with moderate volatility by investing primarily in a portfolio of trust units, equity securities and fixed income securities.

The fundamental investment objectives may only be changed with the approval of a majority of the votes cast at a meeting of unitholders called for that purpose.

Investment strategies

These are the strategies the portfolio manager uses to try to achieve the fund's objective:

- investing in trust units, such as royalty trust units and real estate investment trusts from various sectors of the economy
- may also invest in common equities, typically demonstrating large market capitalizations and above average dividend yields
- may invest up to 20% of the fund's assets in foreign securities
- may invest in fixed income securities, primarily consisting of Canadian government and corporate issues of any maturity or credit rating.

The fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional income. These transactions will be used in conjunction with the other investment strategies in a manner considered appropriate to achieving the fund's investment objectives. Please see *Securities lending, repurchase and reverse purchase transactions risk* on page 237.

What are the risks of investing in the fund?

The investment strategies may involve the following risks, which we explain starting on page 232:

- capital depletion risk
- credit risk
- equity risk
- interest rate risk
- foreign investment risk
- large transaction risk
- securities lending, repurchase and reverse repurchase transactions risk
- series risk.

Who should invest in this fund?

Consider this fund if:

- you want to maximize your after-tax income
- you want an income-producing investment
- you are looking for exposure to Canadian securities for your portfolio
- you are comfortable with medium investment risk (i.e., you are willing to accept fluctuations in the market value of your investment).

This section tells you about the specific risks of investing in the fund. Each is defined in the Prospectus in the *General investment risks* section.

Who should invest in this fund tells you the kind of investor the fund could be suitable for and how the fund could fit into your portfolio.

Fund risk classification assigns an investment risk rating to help you determine whether the fund is appropriate for you.

This section tells you when you might receive distributions from a fund and the character of the distribution.

Series T5 and Series T8 securities are suitable for investors holding securities outside of a registered plan and wishing to receive monthly distributions.

Please see *Fund risk classification* on page 4 for a description of how we determined the classification of this fund's risk level.

Distribution policy

The fund distributes a fixed amount per security per month. The amount of the monthly distribution may be adjusted without notice throughout the year as market conditions change. Any net income earned by the fund in excess of the monthly distribution may also be distributed to securityholders from time to time. Any net capital gains are distributed in December. Distributions are automatically reinvested in additional units of the fund, unless you tell us in writing that you prefer to receive cash distributions.

For Series A, Series F, Series D, Series I and Advisor Series securities, the fund distributes monthly any net income and/or ROC. The amount of the monthly distribution is set at the beginning of each calendar year based on the market outlook.

For Series T5 and Series T8 securities, the fund will make monthly distributions of an amount comprised of any net income and/or ROC based on 5% and 8%, respectively, of the net asset value per security of the applicable series as determined on December 31 of the prior year.

If the cash distributions to you are greater than the net increase in the value of your investments in Series T5 and Series T8 securities, these distributions will erode the value of your original investments.

A ROC does not necessarily reflect the fund's investment performance and should not be confused with "yield" or "income". You should not draw any conclusions about the fund's investment performance from the amount of this distribution.

A ROC will reduce the amount of your original investment and may result in the return to you of the entire amount of your original investment. A ROC made to you is not immediately taxable in your hands but will reduce the ACB of the related securities. You should consult your tax advisor regarding the tax implications of receiving a ROC on your securities. Please see page 267 for more information.

Fund expenses indirectly borne by investors

See *Fund expenses indirectly borne by investors* on page 5 for the assumptions we're required to use in this table. The assumptions do not reflect the actual performance of the fund.

Fees and expenses (per \$1,000) payable over	One Year	Three Years	Five Years	Ten Years
Series A	\$ 22.24	70.12	122.90	279.76
Series T5	\$ 22.24	70.12	122.90	279.76
Series T8	\$ 22.24	70.12	122.90	279.76
Series F	\$ 8.71	27.47	48.14	109.58
Series D	\$ 13.02	41.01	71.93	163.73
Advisor Series	\$ 22.55	71.09	124.60	283.63

Fund expenses indirectly borne by investors gives a hypothetical example to help you compare the indirect costs of investing in the fund compared to investing in other mutual funds.